
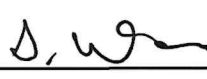


Notice of Amendment

Ordinary Council Meeting – 19 March 2024

Late Item 12.2 Amendment of Council Resolution Item 10.3.12 Medical Services resolved at the 10th June, 2023 Ordinary Council Meeting.

Late Item: Agenda Reference & Subject	
12.2 Amendment of Council Resolution Item 10.3.12 Medical Services 10th June, 2023 Ordinary Council Meeting.	
Councillor signed	<p>Cr. LG Bonza, President</p> <p>Signed:  Date: <u>19.03.24</u></p> <p>Cr. SM Warner Deputy President</p> <p>Signed:  Date: <u>19/3/2024</u></p>
File Reference	PH.AG
Author	CEO Peter Fitchat, GFG Consulting, Moore Australia
Date of Report	18 th March 2024
Disclosure of Interest	Nil

In accordance with Regulation 10 of the Local Government (Administration) Regulations 1996 a Notice to amend Council Resolution Item 10.3.12 Medical Services, 10th June, 2023 Ordinary Council Meeting is advised; and in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996, the Notice of Amendment has been supported in writing by Councillors, President LG Bonza and Deputy President SM Warner.

Summary

For Council to consider the proposal to establish a Shire run medical clinic, employing a qualified doctor as the most effective method of ensuring the community of the Shire of Dundas has access to high quality medical services. This requires an amendment to Council Resolution Item 10.3.12 Medical Services, made at the 10th June 2023, Ordinary Council Meeting.

Background

At the Ordinary Meeting of Council held on 10th June 2023, Council resolved as follows:

That Council:

1. Resolve not to proceed with a formal tender process for the provision of medical services, due to receiving no acceptable submissions through the expression of interest process and;
2. Note the report on the strategy to provide the community with quality medical services through the establishment of a Shire run, General Medical Practice, employing a doctor and receptionist.
3. That the CEO engage the Shire's accountants and other appropriate consultants as required to prepare the necessary details for budget allocations in the 2023/24 budget, and;
4. That the CEO initiate the process to recruit a doctor and receptionist in preparation for the establishment of a Shire run, General Medical Practice under a compliant agreement with a fully maintained house (utilities) and vehicle (Servicing and Fuel) plus \$60,000.00 for a locum fees with travel.
5. And that the Council retains the ability to consider any other viable option that may be proposed by a suitably qualified medical service provider.

Subsequent to the June meeting, the Shire was approached by I-Medical with a proposal to run a full service medical practice including a general practitioner and allied health services. The proposal was considered in the context of resolution number five above. This proposal was presented to Council at the 25th July Ordinary Meeting and Council resolved the following:

That Council:

1. Resolve to enter into a contractual agreement for the provision of medical services with I-Medical Australia subject to the following.
 - a. The service is to operate predominantly from the existing medical centre with assistance to the hospital.
 - b. That the premises be brought up to standard (at the Shires cost) to meet the requirements of AGPAL accreditation.
 - c. The Shire contributes a one-off upfront amount as a set-up fee of \$51,000, and this payment includes an upfront Locum engagement cost, including flights and travelling accommodation to start the medical practise.
 - d. That the Shire makes available a house with maintenance including the garden to I-Medical Australia, and I-Medical pays for utilities.

- e. That the Shire makes available a vehicle for the exclusive use of the I-Medical Australia Practice that includes future replacement and maintenance with a fuel card assigned to the vehicle.
2. Delegate the CEO to engage the Shire's Lawyers, Rural Health West and GFG Consultants as required to prepare the necessary contracts and delegate the Shire President Cr Laurene Bonza and the CEO Peter Fitchat to sign the contract on behalf of the Shire of Dundas.

This item was presented to be revoked in this meeting. Allied health services (e.g. hearing, podiatrist, and remedial massage therapy) have been operating effectively however the provision of a GP has been problematic, and I-Medical have advised that they are no longer able to source a GP.

The Shire owned facilities have undergone some much-needed maintenance and upgrades which have ensured the facility meets the required standard to house GP services.

Senior Officers believe the most effective pathway is to revert to the original proposal to employ a doctor directly.

Statutory Environment

In accordance with *Regulation 10 of the Local Government (Administration) Regulations 1996* a Notice to Amend a Council Resolution is advised; and in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996, the Notice of Amendment has been supported in writing by Councillors, President LG Bonza and Deputy President SM Warner.

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

Federal Legislation regarding Health and Medical Services Search ([Federal Register of Legislation - Search results](#))

Policy Implications

F3. Purchasing Policy

HR6. Use of Shire Vehicles Policy

ST9. Housing and Housing Subsidy Policy

T11. Asset Management Policy

- F6. Tender Evaluation Process Policy
- F5. Panels of Pre-Qualified Suppliers Policy
- F4. Regional Price Preference Policy
- F1. Investments Policy
- A9. Internal Audit and Risk Management Policy
- A3. Legal Representation Policy

The Shire does not have a policy on the provision of Health Services, however Council has previously resolved to request ALGA to work with Federal Minister Hon. Mark Butler and all regional and remote Councils to provide effective and affordable medical services.

Financial Implications

It has become apparent that the potential revenue from GP services is significantly less than anticipated.

There is an opportunity to share costs with adjoining Shires such as the Shire of Coolgardie who have indicated they are willing to consider such an arrangement.

In the current environment, revenue from Medicare billings could be anywhere between \$50,000 and \$100,00 per annum, this is an estimation as the Shire has been unable to obtain the exact costs from private practice.

In any event it appears that the provision of medical services is going to be a cost burden on the Shire in the short to medium term. Previous aspirations of a cost neutral service now appear to be unrealistic. The conservative approach would be to budget for full costs to run the practice and account for limited income through bulk billing revenue as a contribution towards cost recovery.

There are other potential revenue sources, but these are also dependent on whether another GP operates in town.

Other Revenue source	Rate
MSA – agreement with Hospital to provide emergency and some procedures. WA Country Health have been asked for indicative revenue scenarios but will not provide this information.	Unknown

Rural bulk billing incentive – for patients that are under age 16 or Government concession card holders. May 23 Budget announcement 3 fold increase to \$39.65.	\$39.65 as per budget announcement
Practice incentives program – payments for specific activities eg afterhours services plus 50% rural loading. Based on size of practice measured by SWPE	\$1 - \$11 per SWPE plus 50%
Workforce incentive program – practice stream – payment for employing nurse or Aboriginal and Torres Straight Islander health worker. Depends on the size of the practice.	\$12,500 - \$125,000 plus 60%
Workforce incentive program – doctor stream – incentive paid to the doctor.	Yr1-2 \$25k Yr3-4 \$35k Yr5 + \$60k
RLAP – locum support – appears to be only for allied health workers	Unknown
Premium Support Scheme – where indemnity insurance premium is greater than 7.5% of gross income, 60% subsidy for part of premium above that threshold.	60%
Training – a number of different training incentive programs are available.	various

There is a wide range of salary offerings for doctors depending on location, qualifications, and experience. Rural Health West currently list 92 vacancies in WA with most packages expressed in terms of percentage of billings plus housing and vehicle. Billings share is generally between 60% - 70%. A position in Pt Hedland has a salary of \$250,000 and one in Albany \$250,000 - \$300,000. One in Tom Price claims earning potential of \$600,000 +.

It may not be possible to recruit a fulltime doctor in the short term. Another option is to use locum services for a day or two per week. Rural Health West currently has 17 locum vacancies listed with rates between \$2000 and \$3000 per day.

Strategic Implications

1.1.1 Work with Government, organisations and key stakeholders to support a high standard of health services in the Community; including General Practice, emergency response, palliative care, Aboriginal and Community Health.

3.1.3 Shire buildings and facilities are appropriately managed according to their need and use.

4.1.1 Financial accountability and informed decision-making by Council.

4.3.1 Support local business collaboration and capacity building.

4.3.2 Encourage Buy Local.

Consultation

CEO, Deputy CEO – Shire of Dundas, Business Operations Manager, GFG Consulting, Rural Health West, Moore Australia

Comment

The provision of medical services is a complex proposition. There are multiple issues and logistics to consider and financial viability will be dependent on the actions of others, outside of the control of Council.

The objective of providing appropriate medical services to the community at an appropriate cost, must be at the forefront of the decision process (in the context of the Council taking on this responsibility in the absence of leadership or support from State and Federal Government).

The Medical centre building has undergone a refresh and is equipped with the necessary computers, software and other fixtures and fittings. An efficient way for the Shire to take over the running of the GP practice would be to transition these items into Shire control.

There are a number of administrative processes that are required to operate a general practice as outlined below.

Steps to establishing a Shire run Practice:

1. Business plan
 - a. As the Shire will be employing the doctor, no business plan is required to be prepared and advertised under the Act.
 - b. It would be good business practice to prepare an implementation plan and a business plan for internal use only.
2. Modify the Shire of Dundas organisation structure to include a doctor and practice manager.
3. Fit out and remedial works to Medical Centre building - Completed.
4. Recruitment

- a. Doctor, draft contract and advertise.
 - b. Receptionist/practice manager, draft contract and advertise.
5. Accreditation (not urgent – can be done over time)
 - a. Register with accreditation agency (eg AGPAL)
 - b. Self-assessment
 - c. Application
 - d. On-site assessment
6. Medicare and other approvals
 - a. Register for PRODA (Provider Digital Access), individual and organisation
 - b. Register for Health Professional Online Services (HPOS)
 - c. Register for National Authentication Service for Health (NASH)
 - d. Apply for a Medicare provider number (for Doctor)
7. Technology
 - a. Hardware – computers, screens, printers, peripherals - Transfer to Shire
 - b. Phone system – Transfer to Shire
 - c. GP software – Transfer to Shire
 - d. Security system and CCTV.
8. Insurances
 - a. Practice indemnity
 - b. Public liability (possibly existing through LGIS)
 - c. Workers compensation (possibly existing through LGIS)
 - d. Business Insurance (possibly existing through LGIS)
9. Public Notices and Communication
 - a. Advertise hours and contact details.
 - b. Promote health strategies.
10. Consumables – Transfer existing to Shire

Some of the accreditation and registration under items 5 and 6 above are in progress or complete and may be able to be assigned to the Shire. The practice will need to operate under the Shire's ABN, some of the accreditation will remain with the appointed Doctor on staff and visiting Locums when on leave and while setting up the Organisational Structure.

Voting Requirements

Absolute Majority


Moved Cr:

Seconded Cr:

Officer Recommendation

That Council amend 10.3.12 Medical Services Resolution made on the 10th June 2023, amending line items 4 and 5 to the following:

4. Delegate authority to the CEO to employ a doctor as a full-time staff member and engage locum as required and budgeted, and to adjust the organisation structure to reflect this decision for presentation at the next meeting.
5. Delegate authority to the CEO to negotiate with Shire of Coolgardie and other interested parties for a shared arrangement for Medical Services as required.



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